

# STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION  
302 W. WASHINGTON STREET, SUITE E-306  
INDIANAPOLIS, INDIANA 46204-2764

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IN THE MATTER OF THE COMMISSION )  
INVESTIGATION AND GENERIC PROCEEDING )  
OF RATES AND UNBUNDLED NETWORK )  
ELEMENTS AND COLLOCATION FOR INDIANA )  
BELL TELEPHONE COMPANY, INCORPORATED )  
d/b/a SBC INDIANA PURSUANT TO THE )  
TELECOMMUNICATIONS ACT OF 1996 AND )  
RELATED INDIANA STATUTES )

CAUSE NO. 42393 FILED

NOV 24 2003

INDIANA  
UTILITY REGULATORY COMMISSION

You are hereby notified that on this date the Indiana Utility Regulatory Commission ("Commission") makes the following Entry in this Cause:

The Commission received responses to its second set of scenarios on November 21, 2003. Based on the results from these scenarios, the Commission has determined additional scenarios need to be run. These scenarios are attached to this Entry as Attachment 1.

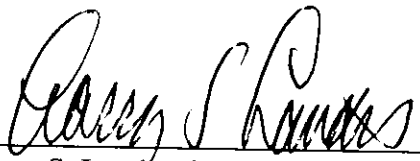
The scenarios will be used to ascertain the effect of a comprehensive change in many inputs, and are not necessarily reflective of any final Commission determination.


Responses to the scenarios, which are due on or before December 1, 2003, should be in Excel format. The spreadsheet will contain the service description, the TELRIC cost, the % shared and common cost, and final rate for each scenario. Each scenario should be in a separate "Sheet" in Excel. Parties should work together so that the services are listed in the same order.

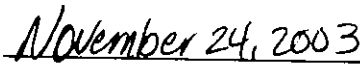
If you have any questions regarding the scenarios, please email Joel Fishkin using the Commission email distribution list provided in this Cause, with email copies to all parties as has been done in other electronic communications in this Cause. Commission responses to questions about the scenarios will, likewise, be sent electronically to all parties.

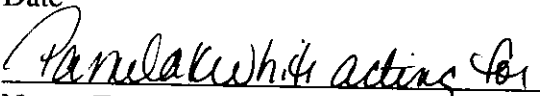
We also request that SBC Indiana, on or before December 1, 2003, provide us with aggregate employment information within the State of Indiana that shows the number of full-time or equivalent employees at six month intervals from January 1997 to date.

IT IS SO ORDERED.

  
\_\_\_\_\_  
Larry S. Landis, Commissioner

  
\_\_\_\_\_  
William G. Divine, Administrative Law Judge

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Nancy E. Manley, Secretary to the Commission

## Attachment 1

### Preliminary Understanding

The changes below are modifications to SBC's original cost study. SBC has agreed to minor changes in its cost studies which are reflected in Rebuttal Testimony (e.g., retagging of circuits). In this scenario SBC and the CLECs will include all these changes.

Furthermore, parties will include all the recommendations from the second Docket Entry Regarding changes to labor costs, Shared and Common costs and Nonrecurring Costs. Finally, the Commission responded to a number of questions and no party has asked for clarification. Thus, all those clarifications remain.

### Comprehensive Scenario 5

#### Network Design

- Adjust model to reflect the terminal equipment needs (NID) of Multiple Dwelling Units (MDUs): Use the distribution of NID and terminations as reflected in Figure 8 on page 108 of Pitkin/Turner Reply
- Eliminate loops with distribution lengths over 18,000 feet
- Consistent with prior sensitivity runs, loop terminations for the following loops types should be assumed to terminate at business locations: a) 4w Analog, (b) 4w xDSL, (c) ISDN BRI, (d) Coin, (e) EKL, (f) Ground Start
- DLC contract discounts: 3% 9/1/2004 Turner/Pitkin p. 126
- Increase Termination equipment for business: Less use of 6-pair NID and move other to 25-pair terminal size. Pitkin/Turner, page 153

### Comprehensive Scenario 6

#### Cost of Capital

<b>WACC</b>	<b>Capital Structure</b>		<b>Cost of Debt</b>		
	LT- Debt	ST-Debt	Equity	LT	ST
<b>9.60%</b>	31.06%		68.94%	6.23%	11.12%

#### Network Design

- Adjust model to reflect the terminal equipment needs (NID) of Multiple Dwelling Units (MDUs): Use the distribution of NID and terminations as reflected in Figure 8 on page 108 of Pitkin/Turner Reply
- Eliminate loops with distribution lengths over 18,000 feet
- Consistent with prior sensitivity runs, loop terminations for the following loops types should be assumed to terminate at business locations: a) 4w Analog, (b) 4w xDSL, (c) ISDN BRI, (d) Coin, (e) EKL, (f) Ground Start
- DLC contract discounts: 3% 9/1/2004 Turner/Pitkin p. 126
- Increase Termination equipment for business: Less use of 6-pair NID and move other to 25-pair terminal size. Pitkin/Turner, page 153

### **Comprehensive Scenario 7**

#### **Cost of Capital**

<b>WACC</b>	<b>Capital Structure</b>			<b>Cost of Debt</b>		
	<b>LT- Debt</b>	<b>ST-Debt</b>	<b>Equity</b>	<b>LT</b>	<b>ST</b>	<b>Equity</b>
<b>9.60%</b>	<b>31.06%</b>		<b>68.94%</b>	<b>6.23%</b>		<b>11.12%</b>

#### **Network Design**

- Adjust model to reflect the terminal equipment needs (NID) of Multiple Dwelling Units (MDUs): Use the distribution of NID and terminations as reflected in Figure 8 on page 108 of Pitkin/Turner Reply
- Eliminate loops with distribution lengths over 18,000 feet
- Consistent with prior sensitivity runs, loop terminations for the following loops types should be assumed to terminate at business locations: a) 4w Analog, (b) 4w xDSL, (c) ISDN BRI, (d) Coin, (e) EKL, (f) Ground Start
- DLC contract discounts: 3% 9/1/2004 Turner/Pitkin p. 126
- Increase Termination equipment for business: Less use of 6-pair NID and move other to 25-pair terminal size. Pitkin/Turner, page 153
- Inclusion of Controlled Environmental Vaults (CEV): Increase the percentage of CEV as reflected in Figure 9 Pitkin/Turner page 143. Use SBC Installation factors without DSL increment.

## Comprehensive Scenario 8

### Cost of Capital

WACC	Capital Structure			Cost of Debt		
	LT- Debt	ST-Debt	Equity	LT	ST	Equity
9.60%	31.06%		68.94%	6.23%		11.12%

### Fill Factor

Calculate the average of the ACAR fills and SBC actual fills for each fill factor through all applicable cost tools.

### Network Design

- Adjust model to reflect the terminal equipment needs (NID) of Multiple Dwelling Units (MDUs): Use the distribution of NID and terminations as reflected in Figure 8 on page 108 of Pitkin/Turner Reply
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- Consistent with prior sensitivity runs, loop terminations for the following loops types should be assumed to terminate at business locations: a) 4w Analog, (b) 4w xDSL, (c) ISDN BRI, (d) Coin, (e) EKL, (f) Ground Start
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